

**Testimony of Ian Greenway of LIG Marine Managers
before the House Subcommittee on Workforce Protections**

Good morning Chairman Norwood, and ranking member Owens. My name is Ian Greenway and I am pleased to be here this morning to address, H.R. 1329, the Recreational Marine Employment Act of 2003.

There is a great need to continue the efforts of this committee when it last amended the Longshore and Harbor Workers Compensation Act (“LHWCA”) in 1984. Enactment of HR 1329 will greatly reduce an ill-placed economic burden on the many small businesses of the recreational marine industry with no significant impact on the highly skilled workforce in this sector of the maritime industry. In fact, enactment of HR 1329 will result in a considerable expansion of available benefits and protection to recreational marine workers across the nation.

I am president and owner of LIG Marine Managers (“LIG”) located in St. Petersburg, Florida. LIG is a leading provider of commercial marine insurance to independent insurance agencies throughout the United States since 1989. I have the privilege of interacting regularly with the marine industry and I am a member of various trade associations. I have not only underwritten Longshore policies for many years, but have delivered hundreds of seminars in every corner of this country, to the insurance community and marine industries as well as authoring a book dedicated to this topic. As such, I understand the industry, its employers and workers as well as the risks these workers face in all aspects of the marine industry. Of particular relevance to today’s hearings, I deal extensively with the recreational marine industry and with your permission; I would like to address the impact that the enactment of H.R. 1329 would have, not only on the recreational marine industry, but also for the vital protection of its employees.

As you know the Longshore Act was initially passed in 1927 to provide coverage to dockside workers, such as stevedores, shipyards and harbor workers. Over the years, however, the universe of maritime workers who were required to be covered by longshore insurance grew. In 1984 Congress, provided new exceptions from the coverage of longshore insurance. Exclusion F of those exempted “*individuals employed to build, repair or dismantle any recreational vessel under 65 feet in length.*” There is no difference in the risks associated with repairing the

plumbing, air conditioning or radio on a 75 foot recreational boat as compared to a 65 foot recreational boat. **But whilst in 1984 recreational vessels over 65ft were a rarity, today, there are almost one-half a million boats registered in the United States that are over 65 feet.**

In fact current insurance data demonstrates that claims for these larger vessels are significantly lower. Claims for workers on vessels 65-150ft being at least 38% lower than those on vessels under 65ft. The reality is that the larger the boat the more money is involved and as such more care is given to its manufacture, maintenance and repair. Consider them like hand crafted luxury cars, which literally, have white-glove treatment. We see not only fewer injuries but also fewer serious injuries in larger recreational boats than we do in their smaller counterparts.

However, there are significant consequences for the marine industry - for both the employer and employee - by requiring Longshore insurance for recreational marine industries. The most significant is the vastly increased cost associated for those plumbers, electricians and other specialty contractors with having to purchase Longshore insurance rather than the alternative, state workers' compensation protection. Please allow me to draw your attention to this chart which highlights the difference in cost between Longshore insurance and state worker compensation insurance for these types of businesses in a number of states with significant recreational marine workers.

Florida	449.0% Reduces to 248% effective July 1 st 2004
Alabama	251.0%
Louisiana	240.0%
Tennessee	230.0%
Mississippi	220.0%
Rhode Island	211.0%
North Carolina	210.0%
South Carolina	204.0%
Georgia	201.0%
California	200.0%
Oregon	198.0%
New York	191.3%
Virginia	188.0%
Pennsylvania	179.3%
Michigan	178.0%

(Can you please select which states you feel are most important here?)

Not only does this result in a huge economic burden on the employer, but it means that an estimated one third or more of such employers simply do not purchase any coverage, despite the legal requirement to do so, leaving injured employees without any available medical coverage, lost wages and disability income. Transferring these businesses to the state workers compensation system will not only make these policies more affordable, and provide a wider insurance marketplace to the employer, but also the states will have jurisdiction to enforce their own rules and ensure all businesses are carrying the coverage required by law to protect their employees.

I am convinced that transferring these businesses to the state workers' compensation system and enforcing the State Workers' Compensation Acts as only the states have the power to do, will mean not only will tens of thousands, and possibly hundreds of thousands of workers, gain coverage where there is none today, but it will also provide an economic boost to employers allowing them to expand their operations, and hire new employees. All whilst leaving the traditional Longshore employees unaffected.

In conclusion, I strongly encourage this committee to favorably report H.R. 1329 with a recommendation that it pass the House and ultimately become law. It will rationalize the state workers' compensation coverage in the recreational marine industry that Congress began in 1984.

Workers will not be harmed. They will be benefited by more universal coverage.

Thank you.

Ian R. Greenway

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